

OCD Artesia

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No. NMLC064384

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No. CARTER COLLIER 5 FED 3

9. API Well No. 30-015-29978-00-S1

10. Field and Pool, or Exploratory RED LAKE

11. County or Parish, and State EDDY COUNTY, NM

1. Type of Well [X] Oil Well [] Gas Well [] Other

2. Name of Operator LIME ROCK RESOURCES II A LP Contact: MIKE BARRETT E-Mail: mbarrett@limerockresources.com

3a. Address 1111 BAGBY STREET SUITE 4600 HOUSTON, TX 77002 3b. Phone No. (include area code) Ph: 575-623-8424 Fx: 575-623-8810

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T18S R27E SWNE 2110FNL 1600FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 main columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Requesting to flare gas due to DCP Artesia Plant keeping the Acid Gas Compressor under maximum operating volume. Flaring will be intermittent.

Estimated Volume - 90 MCFPD

Estimated Time - 90 Days

Verbal approval has been given by Jerry Blakely on 4/30/13.

Please see attached well list for wells in battery.

Accepted for record NMOC

RECEIVED MAY 08 2013 NMOC ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL

SUBJECT TO LIKE APPROVAL BY STATE

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #205719 verified by the BLM Well Information System For LIME ROCK RESOURCES II A LP, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 05/01/2013 (13JLD0692SE)

Name (Printed/Typed) TRISH MEALAND

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 04/30/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED MAY - 4 2013 BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

Approved By JERRY BLAKLEY

Title LEAD PET

Date 05/04/2013

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or suitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any Federal agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

5/4/2013

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.
10. If flaring is still required past 90 days submit new request for approval.
11. Comply with any restrictions or regulations when on State or Fee surface.